

**Colorado Department of Revenue**  
**Liquor Enforcement Division**

*Licensee Handbook*

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Lakewood, Colorado 80214  
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## Division Director

Laura K. Harris

The Colorado Liquor Enforcement Division has four offices established throughout Colorado on a geographical basis. Each office is responsible for its own individual area. Licensing questions should first be directed to your local licensing authority (*City or County where business is located*), the local Division Office and then to the Division's Denver office. To report violations, contact your local Division field office. To determine which office you should telephone, find the office responsible for your county, as listed below:

### **Denver Office**

1881 Pierce Street, Suite 108A, Lakewood, CO 80214

Phone: 303-205-2300

FAX: 303-205-2341

### **Counties Handled**

Adams, Arapahoe, Clear Creek, Denver, Douglas, Elbert, Grand, Jefferson, Lake, Park, and Summit,

### **Colorado Springs Office**

Market Center Shopping Mall, 4420 Austin Bluffs Parkway, Colo Sprgs, CO 80918

Phone: 719-594-8702, FAX: 719-594-8719

### **Counties Handled**

Alamosa, Archuleta, Baca, Bent, Chaffee, Cheyenne, Conejos, Costilla, Crowley, Custer, El Paso, Fremont, Huerfano, Kiowa, Las Animas, Mineral, Otero, Prowers, Pueblo, Rio Grande, Saguache, and Teller

### **Grand Junction Office**

222 S. 6th Street, Room 425, Grand Junction, CO 81501

Phone: 970-248-7133, FAX: 970-248-7124

### **Counties Handled**

Delta, Dolores, Eagle, Garfield, Gunnison, Hinsdale, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Juan and San Miguel

### **Greeley Office**

800 8th Avenue, Room 325, Greeley, CO 80631

Phone: 970-356-3992, FAX: 970-378-8896

### **Counties Handled**

Boulder, Broomfield, Gilpin, Jackson, Kit Carson, Larimer, Lincoln, Logan, Morgan, Phillips, Sedgwick, Washington, Weld, Yuma,

**Division Web Page**

The Liquor Enforcement Division has an informational web site that includes copies of all Division publications, information pamphlets, the Colorado Liquor and Beer Code Statutes and Regulations and copies of license and permit applications. This web page can be found at [www.revenue.state.co.us](http://www.revenue.state.co.us), click on Liquor Enforcement Information.

**Division E-Mail Address:**

LED@spike.dor.state.co.us

**Copies of Liquor and Beer Code**

Colorado Liquor and Beer Code Statutes and Regulations may be obtained in Booklet form by contacting:

State Forms Center  
4999 Oakland Street  
Denver, CO 80239  
Phone: 303-370-2165

**I. Requirements to hold a retail liquor or 3.2% Beer license:**

Colorado liquor and beer retail licenses are issued by "dual" licensing authorities. Your local City or County Clerk can provide applications and answer questions concerning the application process. Your local licensing authority (City or County) must first approve all retail licenses before forwarding liquor and beer license applications to the State Liquor Enforcement Division. Licenses can take several months to acquire and therefore, you must communicate with your local licensing authority far in advance of your opening date. Failure to file applications far in advance of your opening date will most likely result in a delay.

Colorado liquor and beer licenses may be issued in the name of natural persons, corporations, partnerships, and limited liability companies. Applicants and other persons involved with partnerships, corporations, or limited liability companies, must be at least 21 years of age. Persons under 21 may be involved with an established trust as long as the trustee is at least 21 and the person under 21 cannot benefit from the trust until that person reaches the age of 21.

All corporations and limited liability companies must be registered with the Colorado Secretary of State's Office and authorized to do business. Foreign corporations and foreign limited liability companies must also register with the Secretary of State and be authorized to do business in Colorado.

Applicants do not have to be a United States citizen or a Colorado resident to acquire a liquor or beer license and the existence of a criminal record does not preclude a person from licensure. However, applicants with criminal records must be able to provide evidence of rehabilitation or they may be denied a license.

Sheriffs, deputy sheriffs, police officers, state liquor investigators and prosecuting attorneys may not have a liquor license, but may be issued a 3.2% Beer license.

## **II. Compliance Inspections:**

Liquor licensees may be asked to allow a Compliance Inspection to be conducted at its place of business. Regulation 47-700, provides, "The licensed premises, including any places of storage where alcohol beverages are stored or dispensed, shall be subject to inspection by the State or Local Licensing Authorities and their investigators, or peace officers, during all business hours and all other times of apparent activity, for the purpose of inspection or investigation. For examination of any inventory or books and records required to be kept by licensees, access shall only be required during business hours. Where any part of the licensed premises consists of a locked area, upon demand to the licensee, such area shall be made available for inspection without delay; and upon request by authorized representatives of the licensing authority or peace officers, such licensee shall open said area for inspection." (See section 12-47-701 C.R.S. and Reg 47-700).

**The enclosed checklist details the primary items examined/investigated to ensure compliance. A discussion of these issues follows:**

### **Licenses/Permits posted:**

Liquor and Beer Licensees must have currently valid State and Local liquor or beer licenses, sales tax and food service licenses posted conspicuously on the licensed premises so that the general public may see them. A wise Licensee will check their license expiration date to ensure that they do not forget to file for license renewal. The "comments" section of the inspection report lists telephone numbers or other information (if available) on how/who to contact for further information on these licenses/permits. (See section 12-47-301(4)(a)).

### **Minor Warning Sign Posted:**

You must have a sign, which warns underage persons that it is illegal to attempt to purchase alcohol beverages. These signs are available free of charge from the State Liquor Enforcement Division.  
(See 12-47-901(5)(h) C.R.S.)

**Meals or Snacks Available:** The meal/food requirements for the different types of licenses follow:

Retail liquor store license: 12-47- 407,  
May not sell food items

Liquor licensed drugstore: 12-47- 408  
No food requirements

Beer and Wine License: 12-47-409  
Must have light snacks (chips, pretzels, nuts, etc.) and sandwiches (prepackaged pizzas, burritos, subs, etc.) available for consumption during all business hours.

Bed and Breakfast permit: 12-47-410  
No food requirements

Hotel and Restaurant license: 12-47-411, Reg. 47-418

Must be a bonafide restaurant with a menu. At least 25% of the sales (between food and drink) must be from the sale of full meals. Full meals must be served between the hours of 8:00 am and 8:00 pm, with sandwiches and light snacks available after 8:00 pm.

Tavern liquor license: 12-47- 412,

Must have light snacks (chips, pretzels, nuts, etc.) and sandwiches (prepackaged pizzas, burritos, subs, etc.) available for consumption during all business hours.  
12-47-412

Optional premises license: 12-47-413

No food requirements

Retail gaming tavern license: 12-47-414

Must have light snacks (chips, pretzels, nuts, etc.) and sandwiches (prepackaged pizzas, burritos, subs, etc.) available for consumption during all business hours. May contract for these items to be provided from other businesses.

Brewpub license: 12-47-415

At least 15% of the sales (between food and drink) must be from the sale of food.

Club license (non-profit only): 12-47-416

No food requirements

Arts license (non-profit only): 12-47-417

No food requirements

Art Gallery permit: 12-47-422

No food requirements

Racetrack license: 12-47- 418

Food requirements

Public transportation license: 12-47- 419

No food requirements

Vintner's restaurant license: 12-47-420

Must be a bonafide restaurant with a menu

At least 15% of the sales (between food and drink) must be from the sale of food

Special Event permits (non-profit organizations only): 12-48-105(5)

Sandwiches or other foods must be available during event.

3.2% Fermented Malt Beverage Licenses: 12-46-104

No food requirements

**Cleanliness is Adequate:**

An examination of the overall licensed premises is conducted to identify hazards and recommend solutions. Your local health department may be notified if problems are identified. (See Reg. 47-418, Reg. 47-902)

**Books and Invoices Available:**

Licensees are required to maintain records to fully show all business transactions and must make these records available for examination upon request. You may be asked to show invoices concerning alcohol beverage purchases. (See section 12-47-701, C.R.S., Reg. 47-700, Reg. 47-426)

**Beer, Wine and Liquor Stock Acceptable:**

The public expects to be served the alcohol beverage they pay for and nothing more. An examination of beer is conducted to ensure you are selling 3.2% beer (if a 3.2% Beer Licensee) or beer products containing more than 3.2% beer if you hold any other kind of license. Your wine and liquor products will be examined for impurities (paper particles, bugs, dirt, etc). Any product found to contain a foreign substance may be seized, or you will be asked to destroy it. You should frequently check your alcohol beverage stock for foreign contaminants to avoid problems in this area. On premises licensees may not have any flat or flask shaped containers on their premises or any spirituous liquor container over 14% alcohol by volume in any container of less than 1/5 of a gallon. (Reg. 47-904 and Reg. 47-906).

**Alcohol Purchased from Permitted Sources:**

All Retail liquor and beer licensees must purchase their alcohol beverage inventory from a licensed Colorado Brewpub, Vintner's Restaurants, Winery or Wholesale licensee.

Those licensees who sell alcohol beverages by the drink, to be consumed on the licensed premises, are allowed to purchase not more than \$1000.00 (for Hotel and Restaurant liquor license) \$500.00 (for Tavern liquor license) of alcohol beverage inventory per calendar year from a retail liquor store. This provision was created to allow those businesses who ran out of a particular product during a busy night when product could not be obtained from a licensed wholesaler to purchase it from a retail liquor store. All other beer, wine and liquor products must be purchased from a licensed Colorado wholesaler. (See sections 12-47-409, 12-47-411, 12-47-412, 12-47-414, 12-47-415, 12-47-416, 12-47-417, 12-47-418, and 12-47-420 C.R.S.).

**Compliance with Gambling Restrictions:**

The Division has encountered several different gambling schemes which always involve a participant paying something of value for an opportunity to win something of value. Many of these schemes appear to be harmless and simple, but may constitute illegal gambling. For example, football pools may constitute illegal gambling. The Division strongly encourages all Licensees to check with local Police/Sheriffs and most importantly the local District Attorney to assist in determining the legality of the proposed game. Licensees who maintain game machines on their licensed premises, such as video poker or similar devices, are required to have keys to access the interior of the machines, machine operating manuals and a copy of the written contract with the game vendor if the Licensee does not own the machines. (12-47-901(5)(n)(l) C.R.S. and Reg. 47-922)

**Manager Registered with Authorities:**

Hotel and Restaurant licensees and Tavern Licensees must have a separate and distinct manager and must register that manager with the local and state

licensing authorities. All other licensees who sell alcohol beverages by the drink, for consumption on the licensed premises, must report the name of their manager to the local and state licensing authorities. 3.2% Beer licensees who have an "on premises" license must also report the name of their manager. (See 12-47-411, 12-47-301 C.R.S.)

**Licensee in Possession/Control of Premises:**

All alcohol beverage licensees must have possession of the premises at all times, by deed, lease, sub-lease, etc. Licensees may not grant possession of their licensed premises to anyone other than the person licensed. Exterior licensed areas must be in possession of the licensee, who must be able to demonstrate control over the areas licensed. For example, access to and from an outdoor patio area is essential to ensure all alcohol beverages purchased from the business, remain on the licensed premises and to keep minors from consuming alcohol beverages. (See 12-47-301)

**Trade Name Properly Registered:**

The business name, commonly known as the trade name or "d/b/a" (doing business as) must be properly listed on licenses. If exterior signs are posted, they too must properly reflect the correct business name. If you want to change the trade name of the business, you must file an application with your local licensing authority at least 10 days prior to changing the business' name. (See Reg. 47-306).

**Compliance with Intoxicated Sale Restrictions:**

Persons who exhibit or display visible signs of intoxication, i.e., swaying, blood shot eyes, slurred speech, loud-boisterous behavior, may not be served alcohol beverages. Because of the many secondary problems created by visibly intoxicated persons, the Division will always initiate an investigation into violations of this nature. Remember that it is a violation of the liquor code to serve alcohol beverages to intoxicated persons under any circumstances. The fact that the intoxicated person isn't driving is not a factor. (See 12-47-901(1) and Reg. 47-900).

**Compliance with Sale to Minor Provisions:**

It is unlawful for a licensee to sell, serve, give or allow the consumption or possession of alcohol beverages to or for a person under the age of 21 years. Because of the many public safety issues created by these violations, the Division will always initiate an investigation into violations of this nature. (See section 12-47-901(1) and 12-47-901(5)(a)(I)).

**Age requirements to sell or serve alcohol beverages**

On-premises licensees and 3.2% Beer Licensees, with the exception of Tavern Licenses who do not regularly provide full meals, may employ persons who are at least 18 years of age to participate in the sale of alcohol beverages. These persons may participate in the selling, serving or giving of alcohol beverages as long as they are actively supervised by a person who is at least 21 years old (18 for 3.2% Beer). A person must be at least 21 years of age to sell alcohol beverages in a Retail liquor store or a Liquor Licensed Drug Store.

**Acceptable Dispensing Systems:**

Electronic dispensing "guns", "taps" or "systems" are acceptable in Colorado. However, they must be clearly marked so customers know what product they

are receiving. A sign, or card posted and visible to the consumer is acceptable. Beer tap handles must properly reflect only the name of the product dispensed from that specific tap. It is a violation to identify one product and sell another to the consumer. Additionally, it is unlawful for dispensing systems to mix products with each other. (See Reg. 47-904 and Reg. 47-908).

**Off Premises Storage Licensed:**

Colorado Retail licensees may apply for and receive a retail storage warehouse permit to allow storage of alcohol beverages at one location other than the main licensed premises. On-premises licensees (hotel and restaurants, taverns, etc., may store wine and liquor products indefinitely, but may only store beer for a period not to exceed 10 days from the date of delivery. Off-premises licensees (retail liquor stores, etc.) may only store wine and liquor. No beer products may be stored at an off premises retail storage warehouse location. Copies of the storage permit must be conspicuously posted on the licensed premises and at the storage facility. (See Reg. 47-410).

**Removal of alcohol beverages from premises:**

A hotel and restaurant licensee, limited winery licensee, beer and wine licensee, tavern licensee, brew pub licensee, and vintner's restaurant licensee may permit a patron to reseal a partially consumed bottle of vinous liquor (not to exceed 750ml) which was originally sold for on premises consumption. Reseal the bottle with a cork or other commercially manufactured stopper. It is recommended that the licensee securely package the resealed bottle in another sealable container (e.g. paper bag, box). It is recommended that the patron place the container in the vehicle's trunk, or in an area within the vehicle that is not within reach of the driver.

**Only Permitted Items Sold:**

Retail Liquor Store licensees may only sell items directly related to the consumption of alcohol beverages and only those items approved by the State Licensing Authority. A list of the items currently approved for sale is attached. (See 12-47-407 and Reg. 47-416).

In accordance with C.R.S. 1973, 12-47-116(1) and Regulation 47-116.1 the following products are approved as nonfood items permitted to be sold by Retail Liquor Store Licensees.

ATM Machines

Bar Towels

Bartender Guides

Beer Brewing Kit (Equipment)

Beer Brewing Kit (Ingredients) "Add water only" self contained and pre-mixed kit that is commercially packed, sealed and labeled

Blenders

Books or Magazines-primarily about alcoholic liquors or the industry

Bottle Openers

Bottle Neck Greeting Cards

Can Openers

Coasters

Cocktail Garnishes – which are prepackaged, labeled, directly related to the Consumption of alcohol and sold solely for purpose of garnishing beverages up to 16 oz.



Coolers – all types  
Cork Screws  
Devices purporting to measure breath or blood alcohol  
Dispensers-all types  
Drink shakers  
Drip rings  
Flasks  
Fresh lemons  
Fresh limes  
Fruit squeezers  
General bar equipment  
Gift Basket that contain alcohol beverage products and any of the permitted items listed on this page  
Glass holders  
Glass washing equipment  
Glasses-Mugs  
Hangover remedy – strictly limited to a product manufactured and labeled as a hangover reliever  
Herb bitters  
Ice Buckets  
Ice Crushers  
Ice Machines  
Liquor filled candy  
Liquor travel cases  
Liters-Carafes-Decanters  
Maraschino Cherries  
Milk  
Mixes  
Nutrahol  
Olives  
Party Clips (attaches wine glass to plate)  
Pitchers portable bars (homeuse)  
Prost and similar beverage magazines  
Shot measures  
Soda syphons or mixers  
Stir sticks  
Trays  
Tipsy Teasers – gift-wrap ribbon  
Video Tape-if part of a special promotional carton and non-reusable  
Wine Making Kits  
Wine Racks  
Wine Inventory software (home use)

## **II. Most Commonly Asked Questions and Answers:**

### **A Do Patrons have to produce identification, and what kinds of identification can I accept?**

Colorado law does not require a patron to produce identification when making a purchase of alcohol beverages. Colorado law does not prohibit underage persons (those persons under the age of 21 years) from entering or remaining

in a licensed establishment. However, Colorado law does prohibit any licensed establishment from selling, serving, or giving alcohol beverages to an underage person. Licensees should always check for acceptable proof of age if there is any doubt about the age of the patron. If an acceptable proof of age is not available from the questionable patron, no service or sale should be provided.

Only the following types of identification may be relied upon by Licensees as proof of age of a patron. Note that each identification listed must be valid (not expired), have a photograph and description of the bearer:

1. An operator's, chauffeur's or similar type driver's license issued by any state within the United States, any U.S. territory, or any foreign country including Canada or Mexico.
2. Identification card issued by any state in the US for the purpose of proof of age in accordance with C.R.S. 42-2-302 and 42-2-303.
3. A Military Identification Card.
4. A Passport
5. An Alien Registration Card.
6. A valid employment authorization document issued by the U.S. Department of Homeland Security.

\* A copy of an ID checking Guidebook should be used to verify these types of identification.

Those patrons attempting to purchase alcohol beverages who are unable to provide one of the forms of identification described above may be refused service of alcohol beverages. If you suspect that a fraudulent or altered identification has been given to you for proof of age, ask for a second identification or ask questions concerning the information on the face of the identification. If you still believe you have been given a fraudulent or altered identification, you may confiscate it and turn it over to a state or local law enforcement officer within 72 hours. (See Reg. 47-912 and 12-47-901(5)(a)).

## **B. What are the hours that alcohol beverages may be sold?**

### **On-Premises Liquor Licensees:**

Licensees who sell alcohol beverages for consumption on the premises, i.e., taverns, restaurants, brewpubs, may sell alcohol beverages to be consumed on the premises, from 7:00 a.m., until 2:00 a.m., 365 days a year.

### **Off-Premises Liquor Licensees:**

Licensees who sell alcohol beverages in sealed containers, for consumption off the licensed premises, i.e., liquor stores, drug stores, vintner's restaurant (vinous liquors of their own manufacture) may sell alcohol beverages in sealed containers from 8:00 a.m., until midnight every day except Christmas. Brew Pub licensees may sell only products of their own manufacture in sealed containers to go, from 8:00 am until midnight.

3.2% beer may be sold from 5:00 a.m., until midnight, 365 days a year. There are no state prohibitions concerning the sale or service of alcohol beverages on election days.

**C. Is public consumption of alcohol beverages legal?**

Colorado law prohibits public consumption of malt liquor (beer other than 3.2% beer), vinous liquor (wine) and spirituous liquors (bourbon, gin, vodka, etc.) in public, except in a business which is licensed with a Colorado liquor license. Public consumption of 3.2% beer is not prohibited by state law, however, many cities and counties have local laws prohibiting public consumption of 3.2% beer.

**D. Can I bring my own alcohol beverages into a place that has a liquor license?**

It is also unlawful to bring alcohol beverages into any place that is licensed to sell or serve alcohol beverages, i.e., restaurants, sports stadiums. Similarly, it is unlawful to bring alcohol beverages onto an unlicensed public business, i.e., restaurants, for consumption due to the prohibition on public consumption.

**E. Can I renovate or remodel my liquor licensed business?**

Once you have received your Colorado liquor license, you may not cause structural changes to your licensed business without first reporting the changes to the local and state licensing authorities. Cosmetic changes, i.e., painting, carpeting, etc., generally do not require authorization. However, the addition of a bar (or to lengthen a bar), or the relocation of entrances or exits, the addition of, (or deletion of) walls, patio areas, etc., require pre-approval from the local and state licensing authorities. Generally, any change that substantially alters the usage of the licensed premises from that originally approved, requires pre-approval. The applications to change, alter or modify your licensed premises are usually available from your local City or County Clerk, or the Liquor Enforcement Division.

**F. If I sell my business, does the buyer have to obtain its own liquor license to continue the operation of the business?**

The new owner of the business must acquire its own liquor or beer license by filing applications with the local licensing authority. Should the new owner desire to operate, it must ask the local authority for a "temporary permit" which may be granted (discretionary) upon filing of the applications for a permanent annual license. It is unlawful for you to allow anyone to "use" your license, and it is unlawful for them to use your license.

Corporations and limited liability company licensees who are purchased and remain in business as the licensee/owner of the business, may continue to operate and must only report the "internal changes" i.e., change of officers, directors, stockholders, members, etc., to the local licensing authority. This report must be filed within 30 days of the date of the internal change. Failure to meet the reporting deadlines may result in sanctions against your license.

**G. How often do I have to renew my liquor or beer license?**

Liquor and Beer licenses must be renewed every year. Liquor licenses, unlike many other licenses, are not issued on a calendar year basis. Instead they expire one year from the date of initial license issuance. Your license applications will be mailed to the business address listed on your application, (or mailing address, if designated) at least 90 days before your license expires. If you change the mailing address for your state tax information after your liquor license was issued, your liquor or beer license renewals will be mailed to that new address

(we share a common computer system). It is your responsibility to ensure your license renewal is filed with your local licensing authority at least 45 days before the expiration date. Failure to file your renewal at least 45 days prior to its expiration may result in the license not being renewed. If you do not notice that your license has expired within 90 days from the date of its expiration, you must apply for a totally new license. It is unlawful to continue to sell, serve, or distribute alcohol beverages without valid local and state liquor or beer licenses.

**H. Can I cater or deliver alcohol beverages?**

It is not unlawful to provide a bartending service off a licensed premises for private events. It is unlawful to sell alcohol beverages (as a caterer, bartender or other person) without first being licensed to do so. Since liquor and beer licenses are issued to a specific person at a specific place, there exists no license for the "mobile" catering of alcohol beverages. Those liquor and beer licensees that have a Retail Liquor Store License, Drug store license, or a 3.2% Beer license-combination on/off premises license, may deliver alcohol beverages.(See 12-47-901(1)(g) and Reg 47-426).

## Trade Practice Restrictions

Pursuant to Section 12-47-308, C.R.S and Regulations 47-316, 47-320 and 47-322, licensed suppliers (wholesalers, manufacturers, importers, brew pubs, vintner's restaurants) are prohibited from furnishing financial assistance to licensed retailers. The purpose of such restrictions is to prevent suppliers from influencing and/or controlling the product selection of licensed retailers.

The following outline summarizes what a supplier **MAY** provide to a retailer:

1. **Certain advertising materials including:** napkins, coasters, menu sheets, menu covers, place mats, calendars, trays (ash, serving, change, utility), license holders, lamps, mirrors, clocks, foam scrapers, bottle and can openers, and other normal and customary POS (point-of-sale) materials. These items must carry sufficient advertising to show that they primarily advertise the supplier or the supplier's product. As long as this requirement is met, the supplier may print the retailer's name on such materials and other information about food or drink specials.
2. **Signs on the premises which are not temporary in nature:**  
Such as a supplier's normal and customary neon or plastic signs. A supplier may not construct or paint any sign for the retailer, and such signs may not include the retailer's name or any information about the establishment. None of the preceding restrictions concerning the type of advertising permitted on exterior signs and interior displays shall be applicable to paper or vinyl bulletins or banners and posters, which are not intended or designed primarily to advertise the retail license.
3. **Interior displays:** such as non-refrigerated racks, bins, barrels, casks, and shelving from which alcohol beverages are actually sold. If a display item has another utility value (e.g. bicycles, snow boards, umbrellas, etc.), the supplier may loan the item to a retailer at no cost for the period of a promotion, and must charge the retailer the cost of the item if the retailer retains the item past the promotion period.
4. **Services:** such as cleaning and inspecting of dispensing equipment; product delivery, stocking, pricing, rotating, and resetting; sign or display repair.
5. **Tickets to events:** which are limited to pre-scheduled sporting events or concerts. The supplier may also provide ground transportation and a meal prior to such event. A supplier may not provide any other employee or retailer incentives (prizes, clothing, etc.) in contest form or otherwise.
6. **Promotional nights or other products promotions:** which are conducted on the retailer's premises. Supplier representatives must be present to provide any supplier novelty items (t-shirts, etc.) to the public. Suppliers may not pay for any promotional talent, or to advertise the event.
7. **Volume or quantity discounts on products purchases:** In no event shall the total product sold or provided, per invoice, be sold at a per-case price which is below the per-case in-in cost of the supplier.

**8. Limited right to return alcohol beverage products only when:**

such product is defective or damaged, when there is an error in delivery, when the supplier discontinues a product, a retailer's operation is seasonal (closed a minimum of three consecutive months), the retail liquor license has expired or is surrendered, or when the supplier takes legal action to recover inventory for non-payment. Beer wholesalers may "**trade out**" beer products which have exceeded or are ready to exceed manufacturer's freshness date. The trade-out must be for product which is **IDENTICAL** in specific brand name and container type.

**Please note:** A retailer is also in violation of the aforementioned statutes and/or regulations for accepting any prohibited form of financial assistance.